

Message Text

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PAGE 01 NEW DE 12847 131350Z
ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 INT-05 EB-08 AID-05 OMB-01
TRSE-00 CIAE-00 INR-07 NSAE-00 NEAE-00 /049 W
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P R 131235Z SEP 77
FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC PRIORITY 6032
INFO USDOC WASHDC
AMEMBASSY VIENNA
AMCONSUL BOMBAY
AMCONSUL CALCUTTA
AMCONSUL MADRAS

UNCLAS NEW DELHI 12847

DEPT. PLEASE PASS TO USBURMINES

E.O. 11652: N/A
TAGS: EMIN,IN,UNIDO
SUBJECT: GOI PICKS LURGI FOR SPONGE IRON PROJECT

REF: NEW DELHI 11986

1. WE HAVE CONFIRMED WITH THE MINISTRY OF STEEL AND MINES,
THAT THE GOI HAS SELECTED THE LURGI PROCESS TECHNOLOGY OVER THAT
OF ALLIS CHALMERS (AC) FOR THE 30,000 TON UNDP/UNIDO SUPPORTED
SPONGE IRON DEMONSTRATION PLANT TO BE SET UP IN ANDHRA PRADESH.
WE WERE TOLD BY LURGI REP THAT THE GOI HAD INFORMED THEIR COMPANY
ON SEPTEMBER 9 OF LHIS DECISION ALTHOUGH THIS INFORMATION HAD
NOT BEEN OFFICIALLY CONVEYED TO ALLIS CHALMERS AS OF SEPTEMBER
12. HOWEVER, AC HAS BEEN SUBSEQUENTLY INFORMED THROUGH UNIDO.

2. THE ONLY INDIAN PRESS RERERENCE TO THIS AWARD SO FAR APPEARED
IN THE SEPTEMBER 11 EDITION OF THE CALCUTTA BUSINESS
STANDARD(BS) WHICH CONTAINS A BRIEF ARTICLE ON THE PROJECT'S
"CLEARANCE" BY THE GOI AND LURGI'S SELECTION FOR THE TECHNICAL
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COLLABORATION. ALTHOUGH THE BS IMPLIES THAT LURGI'S TECHNOLOGY
HAD BEEN FAVORED ALL ALONG BY TECHNICAL EXPERTS AND THE PLANNING
COMMISSION, WE KNOW FOR CERTAIN THAT UNITIL JUNE OF
THIS YEAR UNIDO AND GOI TECHNICAL COMMITTEES ESTABLISHED TO
EVALUATE THE TWO PROCESSES HAD RECOMMENDED AC.

3. ACCORDING TO THE BS, TOTAL COST OF THE PROJECT IS PLACED AT

RS 110 MILLION (DOLS 12.5MILLION) WITH AN EQUITY CAPITAL OF
RS 45 MILLION (DOLS 5 MILLION). THE STEEL AUTHORITY OF INDIA,
ANDHRA PRADESH INDUSTRIAL DEVELOPMENT CORPORATION AND PUBLIC
FINANCIAL INSTITUTIONS ARE TO SHARE EUQALLY IN THIS EQUITY.

4. ON THE POSITIVE SIDE WE ARE TOLD THAT THE SELECTION OF LURGI
FOR THIS PROJECT DOES NOT RULE OUT THE ADOPTION OF AC'S TECHNOLOGY
FOR SUBSEQUENT SPONGE IRON PLANTS.GOHEEN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
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Concepts: IRON, PROGRAMS (PROJECTS)
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Copy: SINGLE
Sent Date: 13-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
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From: NEW DELHI
Handling Restrictions: n/a
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TAGS: EMIN, IN, UNIDO
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Type: TE
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